CITY HALL COUNCIL CHAMBERS
SANTA MARIA, CALIFORNIA
REGULAR MEETING

MAY 1, 2007

INVOCATION:
Reverend Gary Hanson (Retired) of Grace Lutheran Church gave the invocation.

PLEDGE OF ALLEGIANCE TO THE FLAG:
Councilmember Zacarías lead the pledge of allegiance.

CALL TO ORDER:
Mayor Lavagnino called the Regular Meeting of the City Council to order at 6:30 p.m.

ROLL CALL:
MEMBERS PRESENT
Councilmembers Orach, Patino, Trujillo, Zacarías, and Mayor Lavagnino

STAFF MEMBERS PRESENT
City Manager Ness, City Attorney Trujillo, Assistant City Manager Haydon, Director of Administrative Services Snodgrass, Fire Chief Ortiz, Director of Utilities Sweet, Director of Public Works/City Engineer Whitehead, Director of Recreation and Parks Posada, Police Chief Macagni, Planning Division Manager Woods, Principal Engineer Nybo, Transit Services Manager Odell, Planner III Shipsey, and Chief Deputy City Clerk Perez.

PRESENTATION
Mark Lopez, President of the Pioneer Association, presented Mayor Lavagnino and the City Council with an advance copy of a three-DVD set on the history of Santa Maria.

PROCLAMATION – NATIONAL DAY OF PRAYER
Mayor Lavagnino read a proclamation declaring May 3, 2007, as National Day of Prayer Observance in the City of Santa Maria and encouraging all Americans of all faiths to participate in the National Day of Prayer according to their own traditions. The proclamation was accepted by Jim Zimmerman.

PROCLAMATION – ELKS NATIONAL YOUTH WEEK
Councilmember Patino read a proclamation declaring the week of May 6 through May 12, 2007, as Elks National Youth Week in the City of Santa Maria and encouraging the residents of Santa Maria to join in appreciating and acknowledging the observance. The proclamation was accepted by Bill Hamblin, Past Exalted Ruler.

PROCLAMATION – GO WESTERN DAYS
Councilmember Orach read a proclamation declaring May 14 through June 3, 2007, as Go Western Days in the City of Santa Maria and encouraging all residents to enter into the rodeo spirit by wearing western apparel. The proclamation was accepted by Keith Barks.

PROCLAMATION – NATIONAL POLICE WEEK
Councilmember Trujillo read a proclamation declaring the week of May 13 through May 19, 2007, as National Police Week and Wednesday, May 9, 2007, as Peace Officers' Memorial Day in the City of Santa Maria and encouraging all residents to remember those individuals who gave their lives for our safety and express our appreciation to those who continue to dedicate themselves to making Santa Maria a safer place in which to live. The proclamation was accepted by Corporal Steve Lopez and Corporal Mike Aguillon.

PROCLAMATION – NINETY-NINES WEEK
Councilmember Zacarías read a proclamation declaring the week of May 14 through May 20, 2007, as Ninety-Nines Week in the City of Santa Maria, and wishing the Santa

Maria Valley Chapter and the San Luis Obispo Chapter of The Ninety-Nines, Inc., the best of luck as they host the Southwest Section's Spring Meeting at the Radisson Hotel at the Santa Maria Airport. The proclamation was accepted by Sunny Gibbons.

PROCLAMATION – SANTA MARIA INN'S 90TH BIRTHDAY
Mayor Lavagnino read a proclamation declaring May 18, 2007, as Historical Santa Maria Inn's 90th Birthday Celebration in the City of Santa Maria and thanking Blanche Hollingsead; Hardy and Judy Hearn, owners; and John Reinacher, the General Manager; and his staff for their commitment to keeping the reputation of the Inn alive and well. The proclamation was accepted by John Reinacher, General Manager, Blanche Hollingsead, Hardy and Judy Hearn, owners.

PROCLAMATION – ALS AWARENESS MONTH
Councilmember Patino read a proclamation declaring the month of May 2007 as Amyotrophic Lateral Sclerosis (ALS) Awareness Month in the City of Santa Maria and urging all residents to become educated about ALS and lend their aid to combating this disease by all means possible. The proclamation was accepted by Police Chief Danny Macagni.

PROCLAMATION – ASIAN/PACIFIC AMERICAN HERITAGE MONTH
Councilmember Orach read a proclamation declaring the month of May 2007 as Asian/Pacific American Heritage Month in the City of Santa Maria and encouraging the residents of Santa Maria to learn more about the history of Asian/Pacific Americans and their role in our community and to observe this month with appropriate programs and activities. No one was present to accept the proclamation.

PROCLAMATION – WATER AWARENESS MONTH
Councilmember Trujillo read a proclamation declaring the month of May 2007 as Water Awareness Month in the City of Santa Maria, and urging residents and businesses to increase their water awareness and make conservation a continuing way of life. The proclamation was accepted by Jerry MacNeil and students from Miller School.

PUBLIC COMMENT
Mayor Lavagnino announced that the City Council had been struggling with an issue during the Public Comment period regarding translation from Spanish to English, and had received a request for translation from English to Spanish. Additionally, requests were being made to have translators available for Planning Commission meetings. It has become a burden on staff and the taxpayers. It is a courtesy practice of the City and not a requirement of law. It is starting to become abused. Therefore, the City would no longer accept requests for City-paid translators. The City will allow individuals to borrow the City's equipment for the meetings if they have their own translators.

Councilmember Zacarías stated she would like the Council to be able to discuss this decision and asked how that could happen since it was not an item on the agenda for discussion.

City Attorney Trujillo replied that the Council would not be able to engage in a lengthy dialog. A motion, supported by a second, and a majority vote would be necessary to place an item on a future agenda for discussion. The operational requirements to run the meeting, which the Mayor was in charge of, allowed him to exercise his discretion to allow interpreters or not. There is no legal requirement to provide translators at City expense with the exception of the Americans with Disabilities Act which required the City to accommodate people with hearing disabilities and provide interpreters, if necessary.

Councilmember Zacarías asked the Mayor to agree to place an item on the next agenda to allow for discussion.

Mayor Lavagnino indicated if three members of the City Council so directed, he would do so, and suggested she make a motion to that effect.

Councilmember Zacarías moved to place an item on the next agenda to discuss the issue of having translation available for participants of the Santa Maria City Council meetings.

Councilmember Trujillo seconded the motion as a matter of courtesy.

The motion failed on the following vote:

AYES: Councilmembers Trujillo and Zacarías
NOES: Councilmembers Orach, Patino and Mayor Lavagnino

ABSENT: None
ABSTAIN: None

Mary Jacka spoke in favor of the Assistance to Fire Fighters grant, the Asian/Pacific American Heritage Month proclamation, hoped the Fire Fighters would be recognized with a proclamation as the Police Officers were, and asked that part of the Transportation Development Act Claim funds be used for farm worker transportation. She also said she was disappointed there would not be a discussion regarding translation service and thought there was a requirement to provide translation service upon request if the City received federal funding of any kind.

City Attorney Trujillo indicated he was not aware of any such requirement and asked Mrs. Jacka to provide him with the authority so he could review it.

Natalia Chavez spoke to the Council in Spanish.

Angel Castro read a proclamation adopted by the City of Santa Barbara proclaiming the "Week of the Immigrant" in the hope that the residents of Santa Maria would recognize the rich diversity of this community.

Pedro Navarro spoke in support of money for transportation and low income housing. He said the community needed to work together to find solutions for more buses and housing.

Jesus Estrada spoke to the Council in Spanish.

CONSENT CALENDAR
Mayor Lavagnino pulled Item 3I for discussion. Councilmember Patino requested Item 3J be pulled for comment.

Item 3I – Transportation Development Act Claim
Debra Brasket, SBCAN, expressed concern about 30 percent of the Transportation Development Act funding being diverted to streets and roads. She said the City of Santa Maria's population had grown above that of the City of Santa Barbara, yet the City of Santa Barbara's transportation system was a better system with much more funding. The system in Santa Maria was woefully inadequate, especially with the types of growth expected in the future. She urged the Council to put more funding into the transportation system. Until there was a system that met the needs of the people using it, the system would not be able to grow. More people would use the bus system if there were more stops and more frequent routes.

Mayor Lavagnino explained that as of 2008, all the City's TDA funds would be used for transportation.

Vibiana Saavedra stated the Transportation Development Act funds were transit funds that should not be diverted to other projects. She expressed concern about $1.3 million of these funds going to roads. She said she could understand if the funds were going to be used to build bus turnouts or repaving of a bus parking lot; but she did not think the buses contributed that much to the damage of the streets and roads. She voiced concern regarding the limited transit staff the City had and the inability of that small staff

to do adequate outreach to determine unmet transit needs. She thanked the Council for working with the County to get the $70,000 farm worker transportation planning grant.

Item 3J – Resolution Authorizing the City to Apply for Federal Transit Funds
Councilmember Patino commented that the City would be applying for federal transit funds in the amount of $1.8 million. That money would be going toward the City's transit programs. It was important that the City keep up its roads because the buses, big trucks, and garbage trucks destroyed the roads. If Measure D didn't pass, the City wouldn't have the money available to fix the roads that it has had in the past.

Consent Calendar Items A through M were approved on motion by Councilmember Patino, seconded by Councilmember Orach, and carried on the following vote:

AYES: Councilmembers Orach, Patino, Trujillo, Zacarías, and Mayor Lavagnino
NOES: None
ABSENT: None
ABSTAIN: None

A. ORDINANCES
The reading in full of all ordinances and resolutions was waived. Ordinances on the Consent Calendar were adopted by the same vote cast at the first reading unless City Council indicates otherwise.

B. MINUTES
The Minutes of the Regular City Council Meeting of April 17, 2007, were approved as submitted.

C. RELEASE OF BONDS
Council accepted as complete the public improvements and released a Faithful Performance Bond in the amount of $11,781.90 for the installation of 134 street and easement trees and their maintenance for one year for Phase 3, Unit 2, and a Faithful Performance Bond in the amount of $12,889.60 for the installation of 134 street and easement trees and their maintenance for one year for Phase 5 associated with North Preisker Ranch, Tract 5764, Phase 3, Unit 2 and Phase 5.

D. WARRANTS
Warrant Nos. 134009 to 134305 in the amount of $3,580,680.70 were ordered ratified subject to having been certified as being in conformity with the budget and having been approved for payment by the Director of Administrative Services. Warrant Nos. 133965 and 129588 were canceled.

E. PAYROLL
Payment of payroll was ordered ratified subject to having been certified by the proper Department Heads, as shown on records on file in the Department of Administrative Services and having been approved for payment by the Director of Administrative Services.

F. CDBG FINAL ALLOCATIONS
Resolution No. 2007-56 was adopted approving the final allocations and activities under the Community Development Block Grant (CDBG) Program and the HOME Investment Partnerships (HOME) Program for Fiscal Year 2007-08.

Resolution No. 2007-56 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING THE FINAL ALLOCATIONS AND ACTIVITIES FOR USE OF FEDERAL FUNDS UNDER THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM AND THE HOME INVESTMENT PARTNERSHIPS (HOME) PROGRAM FOR FISCAL YEAR 2007-2008 AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE NECESSARY DOCUMENTS ON BEHALF OF THE CITY OF SANTA MARIA FOR APPLICATION OF THE FUNDS.

G. ORDINANCE NO. 2007-05
Council conducted the second reading and adopted Ordinance No. 2007-05 amending Chapter 13 of Title 12 of the Santa Maria Municipal Code pertaining to limitations on height in the C-2 (General Commercial) zoning district, Z-2007-001, E-2007-008.

Ordinance No. 2007-05 to be adopted. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, AMENDING CHAPTERS 12-13.09 AND 12-13.11 OF THE SANTA MARIA MUNICIPAL CODE, PERTAINING TO BUILDING HEIGHT AND SETBACKS.

H. ASSISTANCE TO FIREFIGHTERS GRANT
Resolution No. 2007-57 was adopted approving the Fire Department's submission of an Assistance to Firefighters grant application for $66,100 through the National Preparedness Directorate of the Federal Emergency Management Agency to replace outdated personal protective clothing for wildland firefighting applications.

Resolution No. 2007-57 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING THE SUBMISSION OF AN APPLICATION FOR ASSISTANCE TO FIREFIGHTER GRANT FUNDS.

I. TDA CLAIM
Resolution No. 2007-58 was adopted approving the Transportation Development Act (TDA) Claim to the Santa Barbara County Association of Governments (SBCAG) for Fiscal Year 2007-08 in the amount of $3,786,961.

Resolution No. 2007-58 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, AUTHORIZING THE FILING OF A CLAIM WITH THE SANTA BARBARA COUNTY ASSOCIATION OF GOVERNMENTS FOR ALLOCATION OF TRANSPORTATION DEVELOPMENT ACT FUNDS FOR FISCAL YEAR 2007-08.

J. FEDERAL TRANSIT ADMINISTRATION
Resolution No. 2007-59 was adopted authorizing the City Manager to delegate authority to submit applications to the Federal Transit Administration for eligible projects for funding the City of Santa Maria's transit programs.

Resolution No. 2007-59 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, AUTHORIZING THE FILING OF APPLICATIONS WITH THE FEDERAL TRANSIT ADMINISTRATION, AN OPERATING ADMINISTRATION OF THE UNITED STATES DEPARTMENT OF TRANSPORTATION, FOR FEDERAL TRANSPORTATION ASSISTANCE AUTHORIZED BY 49 U.S.C. CHAPTER 53, TITLE 23 UNITED STATES CODE AND OTHER FEDERAL STATUTES ADMINISTERED BY THE FEDERAL TRANSIT ADMINISTRATION.

K. NOTICE OF CONTRACT COMPLETION
Council approved the Notice of Contract Completion for Street Overlay, Bid No. 2007/04 and directed the Chief Deputy City Clerk to record same.

L. SUBDIVISION MAP AND AGREEMENT
Resolution No. 2007-60 was adopted approving the Subdivision Map and Agreement for Parkland Cottages, Tract 5908, generally located on the south side of the 500 block of West McCoy Lane between South Broadway and the Santa Maria Valley Railroad tracks.

Resolution No. 2007-60 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING THE SUBDIVISION MAP AND AGREEMENT FOR PARKLAND COTTAGES, TRACT 5908.

M. INTENT TO ANNEX
Resolution No. 2007-61 was adopted expressing the Council's intent to annex Shepard Surgical Center into the Northeast Landscape Maintenance District; Fairway Industrial

Park, USA Gas Station and Mini-Mart, and Parkland Cottages into the Southwest Landscape Maintenance District; and Newlove Gardens into the South Miller Street/South College Drive Landscape Maintenance District.

Resolution No. 2007-61 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, INITIATING PROCEEDINGS AND DECLARING THE INTENTION TO ANNEX TERRITORY TO ASSESSMENT DISTRICTS PURSUANT TO THE "LANDSCAPE AND LIGHTING ACT OF 1972" (SHEPARD SURGICAL CENTER, FAIRWAY INDUSTRIAL PARK, USA GAS STATION AND MINI-MART, PARKLAND COTTAGES, NEWLOVE GARDENS).

GROWTH MITIGATION CAPITAL IMPROVEMENT PLAN

Principal Engineer Nybo gave the staff report. The 2007 Growth Mitigation Fee Program Update includes a Capital Improvement Plan and an ordinance to implement recommended fee changes. The City Council adopted the first Capital Improvement Plan and implementing ordinances for the Growth Mitigation Fee Program on July 6, 1993. Pursuant to State law, the Growth Mitigation Fee Program has been reviewed every two years since that time. The following changes are included in the 2007 update: single family attached units (condominiums, townhomes, etc.) are included in the multi-family category; fees are changed from a per housing unit basis to a per square foot basis; residential additions are added to the single family detached fee category; traffic, water and wastewater fees are adjusted to reflect changed costs; and growth mitigation fees are changed. The new fees are: single family detached residential at $9.79 per square foot, up from $7.79 per square foot; multi-family residential at $12.30 per square foot up from $10.10 per square foot; senior/affordable residential housing at $8.65 per square foot up from $8.59 per square foot; and commercial and industrial increase at $.80 per square foot up from $.71 per square foot. Revenues from these fees may only be expended from capital improvements and land acquisitions necessary to mitigate the impacts created by new development. The City of Santa Maria General Plan projects a future growth in population to "build-out" of approximately 30 percent. This increase in population will impact the infrastructure used by all residents. Consequently, the Growth Mitigation Fee Program assigns 30 percent of the costs for most citywide capital improvements to new development. However, some capital improvements are necessary to serve new development, so the program assigns 100 percent of the costs for these improvements to new development. Information considered in this fee program review included: updated dwelling unit count and size; general inflation of construction costs; increased cost of specific construction projects; a revised cost study for water and wastewater facilities; and a new appraisal of the cost to acquire residential land for park purposes. Also, staff examined the impact on infrastructure of residential housing additions to existing single family detached homes. This report is comprised of nine distinct sections: 1) Process Used to Collect and Incorporate Community Input; 2) Fee Calculation; 3) Residential Additions; 4) Proposed 2007 Growth Mitigation Fees; 5) Comparing the Fees with Other Local Community Fees; 6) Growth Mitigation Fees Collected/Expended; 7) Measure D and Traffic Fees; 8) Effective Date of New Fees; and 9) Total Development Fees. The recommendations for adjustments to the Growth Mitigation Fee Program represent the culmination of the community workshop process, which included City staff, the public, and the development community. During the workshop process, issues were identified, discussed, and resolved. As a result of the three workshops and subcommittee meetings, City staff believes that a consensus was achieved for support of the proposed update to the Growth Mitigation Fee Program. Staff is also proposing a Recreation and Parks Mitigation Fee credit program which would give credit for recreational amenities in certain projects.

Mayor Lavagnino opened the public hearing.

Gordon Gil thanked the City Council for allowing the citizens of Santa Maria to participate in the program. Every two years City staff has invited the public to participate in the program, and that was one of the reasons it has been so successful. The staff report contained an outstanding list of facilities that have been built with funding from this program in the past 12 years. He asked about the River Park in the river bed area and the $4 million cost listed in the Capital Improvement Plan for land

acquisition. He said it was his understanding that the $4 million was not a land-acquisition cost, but rather an improvement cost to the land that would be required because of adding irrigation for park purposes. He suggested that the $4 million be moved into the construction of the park. He also asked why the total fee listed for the River Park was to be paid by new development when it would be used as a regional park.

Joan Leon, Santa Maria Community Coalition, stated she had been interested in the development impact fees for some time, and Director Whitehead had been kind enough to notify her of the meetings and provide her with the information when she could not attend. She said the Coalition had some concern about the traffic mitigation fees. She read policy 3C(A) and (B) from the Circulation Element of the General Plan regarding funding for road improvements. The transportation growth mitigation worksheet showed an unfunded balance of $104,652,256. In order to generate enough income to cover that unfunded balance, the base fee for a single family dwelling unit would need to be $9,677. The staff report listed the new traffic mitigation fee as $8,968. That was not enough to cover the shortfall. It also assumed that Measure D would be reauthorized which might not happen. She asked if the City would be able to increase the development impact fees to fill the gap if Measure D did not pass.

Director Whitehead stated throughout the process, staff had worked directly with the development community and responded to their request to assume that Measure D would be reauthorized.

Principal Engineer Nybo stated the City would be updating the program again in 2009. If Measure D did not pass, the fees could be adjusted at that time; and the Growth Mitigation Program would not be the big loser. The City would be without maintenance funding for roads.

Jerry Bunin, Home Builders Association, stated no one in the building community wanted to see their fees go up, but no other community on the Central Coast did as good a job handling this process as the City of Santa Maria. The building community appreciates the opportunity to be involved. Staff provided quality information in a timely fashion, listened to their input and incorporated it into the report. The Home Builders Association supported almost everything in the proposal. They liked the square footage fee and adding the remodeling and additions. They liked waiting to see what happens with Measure D and giving the developers up until September to decide which fee structure to use. However, this was a bad time in the housing industry. He suggested the fees not take effect until January 2008 to give the housing market time to begin turning around. He also suggested locking in the fees at tentative map submittal rather than building permit issuance.

Mayor Lavagnino asked what the impact to the City would be if the effective date of the fees was delayed until January 2008.

Principal Engineer Nybo stated that proposal had been discussed at the committee meetings and among staff. The problem was that the costs to do the City projects would not wait until 2008 to increase. Staff would not be in support of delaying the implementation.

Councilmember Trujillo stated the fees were passed on to the people buying the houses. The fees for the single family residence increase were going up about 26 percent. There were more bankruptcies and more foreclosures lately. He said he thought staff had done a really good job with the report, but thought a 26 percent increase in the single family fees and multi-family fees was too high.

Principal Engineer Nybo stated the single family fee was being increased from about $20,780 to $23,800. It was an increase of about $3,000 or about 15 percent. The entire single family fee included traffic, water and wastewater which was not figured on a square footage basis.

Laurie Tamura, Urban Planning Concepts, thanked staff for the system they had set up since 1993 to allow public participation and open dialog. She reviewed the changes that were proposed and supported them. She agreed with deferring the discussion of Measure D until the 2009 review because the City was still receiving the Measure D funds. She commended the City for its successful use of Measure D funds. She also agreed with the Recreation and Parks fee credit for those developments that provide upscale amenities in their developments. She said one thing that was discussed and they had hoped for was putting a cap on the fees. The City had been trying to encourage developers to think bigger houses and make housing more diverse. Whether the house was 2,200 square feet or 3,200 square feet, it was still a single family home. They had hoped that there would be a cap on the fee on a square foot basis at 2,500 square feet. This program was a win-win for the City and developers because the developers were partners with the City in building the City.

Jim LaLoggia, Templeton Properties, thanked the Council and staff for allowing the development community to be part of the process. The City of Santa Maria was a great place to do business. In the budget for the Growth Mitigation Fees, the fees were calculated on unit sizes that were capped at 2,500 square feet per single family home, and 1,500 square feet for multi-family unit. He requested a cap be placed on those fees at the 2,500 square foot and 1,500 square foot sizes. La Ventana II was conditioned by the City to provide larger homes. He provided a breakdown of fees with a 2,500 square foot home costing $48,737 in fees and a 3,500 square foot home costing $64,277 in fees.

Councilmember Zacarías stated when she looked at the list of fees provided by Mr. LaLoggia, it appeared that only the Growth Mitigation Fee and Traffic Mitigation Fee were based on square footage. The Water Connection Fee, Sewer Connection Fee, and State Water Fees were flat fees that were the same regardless of the size of the home. The School Fees were based on square footage but not set by the City. She said it was a good idea to set a cap, but did not want to overstep the needs of the City or the School Districts. If the Council did approve a cap, it would only be the Growth Mitigation Fee and the Traffic Mitigation Fee that would be capped.

Mayor Lavagnino asked what the affect on the City would be if the fees were capped at 2,500 square feet and 1,500 square feet.

Principal Engineer Nybo stated for this particular update, Planner Shipsey went project by project to identify the product type that would be subject to these fees. Those were then used to project averages for build-out. When staff prepared the plan, the basis that was used was that more square footage created more people which created more infrastructure. If a cap was placed at either end, it defeated that basis of analysis. However, the Council had the ability to make a policy decision to cap the fees. Staff used 2,500 square feet as the maximum for single family homes and 1,500 square foot maximum for multi-family homes when preparing the Plan. If the Council set a cap at those numbers and everything played out as projected, the City would have all the money it needed to do the projects. He said he had prepared language that could be added to the ordinance that would allow the Council to set a cap at 2,500 and 1,500 square feet.

Jay Higgins, Capital Pacific Homes, stated they were currently developing over 300 homes in the City, both single family and attached townhomes. He said they felt remodels and additions was a logical place to look for part of the solution to the City's Capital Improvement Plan. It also made sense that multi-family projects that had an abundance of on-site amenities be provided with some relief from Parks Mitigation Fees. He said he appreciated the opportunity to apply for building permits until September and make a choice of the fees, but it locked them in. It would not give them the ability to change a plan or respond to the market. He explained that on a 2,400 square foot home, the fees would be about $50,000. He commended the City for its outreach efforts and wished that some of the other entities would follow suit.

Hearing no further requests to speak, Mayor Lavagnino closed the public hearing.

Councilmember Zacarías stated the City had identified in the Housing Element that approving the expansion of single family residences to accommodate more families was the City's response to the creation of more affordable housing in the community. She suggested that the square footage fee for additions be set at the affordable residential rate instead of the single family residential rate.

Councilmember Trujillo stated he thought it made sense to cap the fees at 2,500 square feet for single family homes and 1,500 square feet for multi-family units.

Councilmember Patino stated she did not have a problem with setting a cap; however, she thought it was important that the City Council not try to subsidize housing. The City had tried to keep its fees down. The City needed to build a new fire station and man it, the new library would need to be manned, and the community thought there was a traffic problem. She said she would support staff's recommendation.

Principal Engineer Nybo explained that the Senior/Affordable Fee was not talking about single family residences, it was for group homes and high-density dwellings. This category of Senior/Affordable housing was given a huge discount in the Traffic Mitigation Fee because staff did not expect seniors to create the same kind of peak-hour trips each day as a single family home. The people who would be occupying the affordable studio units of 600 square foot in size were expected to use mass transit and not create the same kind of peak-hour trips. The definition in the Municipal Code for Affordable Housing as part of the Growth Mitigation Program was different than what Councilmember Zacarías was talking about. He also stated that if the Council was going to place a 2,500 square foot cap on single family homes, that same cap should apply to additions to existing single family homes.

Councilmember Orach commended staff for how this program has evolved since 1993. He also commended Recreation and Parks Director Posada for the fee credit to developers providing on-site amenities because people don't feel comfortable allowing their children to go to the neighborhood park alone anymore. The City tried to keep its fees down and stay ahead of the game with providing infrastructure that was necessary for the growth. He agreed with placing a cap on the fees.

City Manager Ness asked for clarification on capping additions at 2,500 square feet. He said if someone had a 2,400 square foot house and wanted to add 1,000 square feet, they would only have to pay for 100 square feet. If someone had a 2,600 square foot house and wanted to add 1,000 square feet, they would not be charged at all. He asked if that was the Council's intent.

Council agreed that a proposed cap should apply both to new construction as well as additions.

A motion to revise the ordinance to place a cap of 2,500 square feet for single family residences and 1,500 square feet for multi-family residences was made by Councilmember Trujillo and seconded by Councilmember Patino. The motion failed on the following vote:

AYES: Councilmembers Patino and Trujillo
NOES: Councilmembers Orach, Zacarías, and Mayor Lavagnino
ABSENT: None
ABSTAIN: None

A motion to revise the ordinance to place a cap of 3,000 square feet for single family residences and 1,500 square feet for multi-family residences was made by Councilmember Zacarías and seconded by Councilmember Orach. The motion passed on the following vote:

AYES: Councilmembers Orach, Patino, Trujillo, Zacarías, and Mayor Lavagnino
NOES: None
ABSENT: None
ABSTAIN: None

Resolution No. 2007-62 was adopted approving the 2007 Capital Improvement Plan on motion by Councilmember Orach, seconded by Councilmember Patino, and carried on the following vote:

AYES: Councilmembers Orach, Patino, Trujillo, Zacarías, and Mayor Lavagnino
NOES: None
ABSENT: None
ABSTAIN: None

Resolution No. 2007-62 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, ADOPTING THE CAPITAL IMPROVEMENT PLAN.

Ordinance No. 2007-06 setting and revising the Growth Mitigation Fees as amended was introduced by title only for first reading and continued to the next meeting for second reading and adoption on motion by Councilmember Orach, seconded by Councilmember Patino, and carried on the following vote:

AYES: Councilmembers Orach, Patino, Trujillo, Zacarías, and Mayor Lavagnino
NOES: None
ABSENT: None
ABSTAIN: None

Ordinance No. 2007-06 introduced. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, SETTING/REVISING THE 2005 GROWTH MITIGATION FEES.

City Manager Ness recognized Bruce Nybo who would be retiring from City service on May 9th. He has worked for the City for seven years and has done an outstanding job and superior work on all the projects he touched.

Director of Public Works/City Engineer Whitehead stated he had worked with Mr. Nybo during the seven years he had been with the City and had learned a tremendous amount from him. Mr. Nybo has contributed mightily to the improvements in the City.

THIRD QUARTER FINANCIAL REPORT

Director of Administrative Services Snodgrass gave the staff report. With 75 percent of the year complete, revenues were at 65.3 percent of projections while expenditures were at 68.7 percent of appropriations. Total revenue and transfers of $33.1 million were less than 75 percent of budget but $3.6 million more than the prior year. A substantial number of revenues received in July and August would be accrued back to June. This resulted in a lower revenue percentage during the first three quarters of the year and a large "catch-up" in June. Departmental expenditures were also less than 75 percent of budget at $3.59 million, and $1.8 million or 6.2 percent more than the prior year. The top five revenue sources accounted for about 60.9 percent of total General Fund revenues. Sales tax receipts were approximately $636,000 more than the prior year but only 52.7 percent of the yearly expected amount. During the remaining three months of the fiscal year, the City would receive another payment of in-lieu sales tax and April to June sales tax would be accrued. Vehicle License Fee receipts were approximately $122,300 more than last year and were 53.2 percent of the budget. Property tax receipts were 77.8 percent of budget and 2.8 percent higher than expected at third quarter. Operating costs were 6.3 percent less than expected at the end of the third quarter. In the Water/Wastewater Fund, expenditures exceeded revenues by $6.1 million primarily due to State Water payments being paid in full at the beginning of the fiscal year. A budget amendment report was included which recommends certain personnel and operational changes.

Councilmember Orach said everyone knew that property values had decreased and asked when the County Assessor looked at reducing the property taxes based on the values of homes.

Director Snodgrass replied she did not know how that happened in Santa Barbara County. In some counties, the property owners had to ask for that reassessment.

Councilmember Patino asked about the transit funds and the fare box ratio which was at 17.7 percent. She said she understood that it needed to be at 20 percent.

Director Snodgrass replied the City had a two-year unmet transportation need which provided an exemption to reach the 20 percent. For the next two years, the City had the room to grow the transit operations to get to the 20 percent.

Director Whitehead stated the City had always met the fare box ratio of 20 percent and expected to do so again this year. Spring and summer were much higher ridership times of the year, so the City should receive much more fare revenue during those times. The City was also making some operational changes to provide more of a buffer to achieve 22 percent or 23 percent.

Resolution No. 2007-63 was adopted approving amendments to the budget on motion by Councilmember Orach, seconded by Councilmember Zacarías, and carried on the following vote:

AYES: Councilmembers Orach, Patino, Trujillo, Zacarías, and Mayor Lavagnino
NOES: None
ABSENT: None
ABSTAIN: None

Resolution No. 2007-63 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING AMENDMENTS TO THE BUDGET FOR FISCAL YEAR 2006-07 AND AUTHORIZING THE CITY MANAGER TO IMPLEMENT SAME.

CITY MANAGER'S REPORT

City Manager Ness reported on items for the May 15, 2007, City Council meeting including a public hearing for a Zoning Text Amendment regarding off-street parking in the 4 square mile area and review of the Annual Technical Amendments to the Municipal Code.

City Manager Ness also reported that the annual Department of Finance population estimates showed the City of Santa Maria now at a population of 90,333, an increase of 129 people. Santa Maria was still considered the most populous City in Santa Barbara County.

ORAL REPORTS BY COUNCILMEMBERS

Councilmember Trujillo reported he was a speaker for the Friends of the Library on April 14th and received a couple of donations. He also attended the new West Com Credit Union branch opening. He attended the Community Action Commission open house for the new childcare center.

Councilmember Patino attended the Police Department Townhall Meeting at the Veterans Memorial Center. People were really concerned about traffic in the community. She also read a proclamation at the Rape Crisis Center.

Councilmember Zacarías stated the Townhall Meeting gave such good information, and she was very impressed with the teamwork by all the members of the Police Department who presented information. She visited the Pacific Beverage Company as her first site visit to a business. She announced that the federal government had extended the deadline to mid May for applying for unemployment available for those affected by the crop freeze. She also announced that she presented a couple of conference panels at Harvard Law School, and she was invited back to speak at a graduation of a women's program next week.

Councilmember Orach congratulated Police Chief Macagni and the Police Department for the Townhall Meeting. Traffic and parking were the main issues. He also asked

parents to slow down and be more careful when taking their children to school or picking them up.

Mayor Lavagnino announced that former Mayor Don Lahr was in the hospital after suffering progressive mini-strokes. He announced that he helped KCOY with the beginning of the Annual Spring Food Drive. He attended the California Traffic Commission meeting in San Luis Obispo and made a pitch for the Santa Maria River Bridge. He attended the Elks Rodeo Kick-Off. He attended a party for the Men's Club of Santa Maria called Casa Blanca, and he appeared as Rick from the movie played by Humphrey Bogart. He also attended the fashion show at the Humane Society where the dogs were dressed up.

CLOSED SESSION

Council recessed to Closed Session at 9:20 p.m. for Conference with Labor Negotiator pursuant to Section 54957.6 of the Government Code; Agency representative: Assistant City Manager; Employee organization: Santa Maria Police Officers Association (SMPOA), and Conference with Legal Counsel – Existing Litigation pursuant to Subdivision (a) of Section 54956.9 of the government Code: Carolyn R. Baldiviez D.D.S. v. City of Santa Maria, Santa Barbara Superior Court Case No. 1232811.

After the Closed Session, the following was announced:

Conference with Labor Negotiator: SMPOA - Status report was given. No reportable action was taken.

Conference with Legal Counsel: Carolyn R. Baldiviez D.D.S. v. City of Santa Maria – Direction to staff was given.

ADJOURNMENT

There being no further business to come before the City Council at this time, Mayor Lavagnino declared the meeting adjourned at 10:04 p.m. in memory of David Stern who recently passed away on April 25, 2007. Mr. Stern was with the Santa Maria Police Department for 20 years working his way up to the rank of Commander. He left the Police Department six years ago to become Police Chief of Edmonds, Washington.

APPROVED

May 15, 2007
Date

ATTEST

Chief Deputy City Clerk

Chief Deputy City Clerk of the City of Santa Maria and ex officio Clerk of the City Council

Mayor of the City of Santa Maria